

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-239 and 240)

The United States Postal Service hereby provides its response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-239 and 240, filed on November 21, 2001. The Postal Service filed a partial objection to both on December 3, 2001.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys

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Chief Counsel, Ratemaking:

  
\_\_\_\_\_  
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December 17, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF  
OFFICE OF THE CONSUMER ADVOCATE**

**OCA/USPS-239.** Please refer to Tr. 46C/20911, Docket No. R2000-1. In response to interrogatory OCA/USPS-142, Operating Revenue, Operating Expenses, and Operating Income/Loss figures were given for Post ECS and Electronic Postmark.

- (a) Please state whether any of these figures has been corrected or revised since they were first reported in response to OCA's interrogatory. If so, supply all corrections and/or revisions.
- (b) Also, please bring these figures up to date (through the current Accounting Period). (Break out specific Fiscal Years and current APs).
- (c) Please add a column equivalent to that set forth in Table 1, Tr. 21/9210 (Docket No. R2000-1) giving Total Operating Revenue, Total Operating Expenses, and Total Operating Income/Loss "Since Inception" through the current AP.

**Response:**

- (a-c) Partial objection filed on December 3, 2001. Please see Attachment 1 that accompanies this response.

Attachment 1  
Response of United States Postal Service to Interrogatories  
of the Office of the Consumer Advocate  
OCA/USPS-239

		(All amounts in dollars)				
		Through FY 1997	FY 1998	FY 1999	FY 2000	FY 2001 (thru Q III)
						Since Inception
<b>PosteCS</b>	Operating Revenue:	-	-	-	1,000	7,000
	Operating Expenses:	-	-	2,105,000	3,556,000	1,365,000
	Operating Income (Loss)	-	-	(2,105,000)	(3,555,000)	(1,358,000)
<b>Secure Electronic Delivery Services/ Electronic Postmark</b>	1/ Operating Revenue:	-	-	-	60,000	97,500
	Operating Expenses:	1,299,000	1,530,000	1,123,000	2,377,000	2,458,848
	Operating Income (Loss)	(1,299,000)	(1,530,000)	(1,123,000)	(2,317,000)	(2,361,348)

1/ Electronic Postmark was launched in November 1999 and it is now under the SEDS umbrella suite of services.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF  
OFFICE OF THE CONSUMER ADVOCATE**

**OCA/USPS-240.** Please refer to Tr. 21/9210, Docket No. R2000-1. In response to interrogatory OCA/USPS-122, Operating Revenue, Operating Expenses, and Operating Income/Loss figures were given for FirstClass Phone Cards, Retail Merchandise, PostOffice Online, Liberty Cash, Dinero Seguro, REMITCO, and Sure Money.

- (a) Please state whether any of these figures has been corrected or revised since they were first reported in response to OCA's interrogatory. If so, supply all corrections and/or revisions.
- (b) Also, please bring these figures up to date (through the current Accounting Period). (Break out specific Fiscal Years and current APs).
- (c) Include Total Operating Revenue, Total Operating Expenses, and Total Operating Income/Loss "Since Inception" through the current AP.

**Response:**

- (a-c) Partial objection filed December 3, 2001. Please see Attachment 1 that accompanies this response.

Attachment 1  
Response of United States Postal Service to Interrogatories  
of the Office of the Consumer Advocate  
OCA/USPS-240

		FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	Since Inception
<b>FirstClass Phone Cards</b>	Operating Revenue:	-	-	14,353,241	18,884,232	31,438,787	13,825,681	11,989,039	90,490,980
	Operating Expenses:	-	-	14,273,052	15,303,307	14,535,294	8,593,113	7,654,047	60,358,813
	Operating Income (Loss)	-	-	80,189	3,580,925	16,903,493	5,232,568	4,334,992	30,132,167
<b>Retail Merchandise</b>	1/ Operating Revenue:	-	-	25,916,903	44,115,757	25,602,151	28,304,402	17,627,015	141,566,228
	Operating Expenses:	-	-	21,588,454	37,425,226	21,298,499	22,700,026	12,581,679	115,593,884
	Operating Income (Loss)	-	-	4,328,449	6,690,531	4,303,651	5,604,376	5,045,338	25,972,344
<b>PostOffice Online</b>	2/ Operating Revenue:	-	-	-	-	-	-	-	-
	Operating Expenses:	-	-	-	9,585,928	18,185,295	-	-	27,771,223
	Operating Income (Loss)	-	-	-	(9,585,928)	(18,185,295)	-	-	(27,771,223)
<b>LibertyCash</b>	3/ Stored Value	-	-	3,218,830	12,395,752	22,698,477	11,988,196	13,688,633	63,989,888
	Cumulative Balance	-	-	389,740	701,220	992,240	1,117,519	1,045,773	1,045,773
	Operating Expenses:	-	-	-	9,618,833	1,567,523	440,443	288,694	11,915,493
<b>Dinero Seguro</b>	6/ Operating Revenue:	-	29,324	1,504,322	6,911,479	6,191,968	4,569,179	3,312,375	22,518,647
	Operating Expenses:	-	380,390	17,575,483	16,121,391	11,823,851	4,581,107	5,291,647	55,773,869
	Operating Income (Loss)	-	(351,066)	(16,071,161)	(9,209,912)	(5,631,883)	(11,928)	(1,979,272)	(33,255,222)
<b>REMITCO</b>	4/ Operating Revenue:	-	-	1,357,418	NA	3,900,000	NA	NA	NA
	Operating Expenses:	16,500	1,243,369	6,255,325	11,129,750	13,958,480	NA	NA	NA
	Operating Income (Loss)	(16,500)	(1,243,369)	(4,897,907)	NA	(10,058,480)	NA	NA	NA
<b>Sure Money</b>	5/ Operating Revenue:	-	-	-	-	-	-	-	-
	Operating Expenses:	-	-	-	1,326,923	2,133,342	-	-	3,460,265
	Operating Income (Loss)	-	-	-	(1,326,923)	(2,133,342)	-	-	(3,460,265)

1/ Includes \$634,689 of costs to develop and create products.

2/ PostOffice Online was an Internet based distribution channel for delivery of postal services . The initial offering included Mailing Online, Shipping Online and secure payment over the Internet. Earlier versions of Internet services also included Electronic Commerce and Desktop Post Office. As such, the prior years amounts for PostOffice Online are shown in a single column. The PostOffice Online program was terminated effective December 31, 2000 at which point the last remnant of the program was Shipping Online. Mailing Online was separated from PostOffice Online a year earlier, during 1999.

3/ The information on LibertyCash is available only as a total "Prior Years" amount before FY 1999.

4/ Effective 07/01/99, the Postal Service released its interest in REMITCO; remaining costs are continuing lease payments.

5/ Nearly all prior year expenses were in FY 1998. Beginning in FY 2000, Sure Money was included with Dinero Seguro.

6/ FY 2001 expenses include expansion from 850 sites to 2715 sites.

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

  
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